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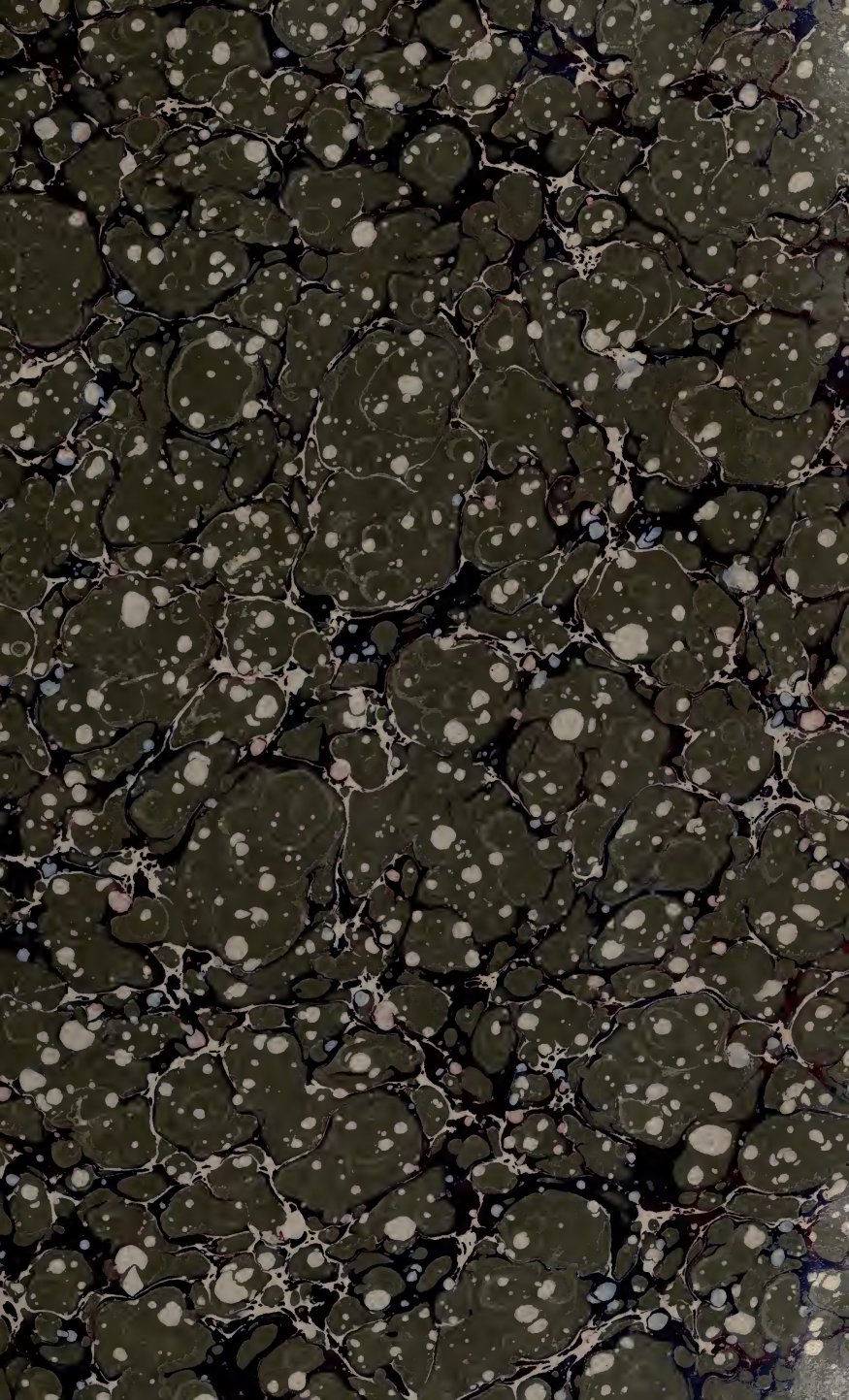


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APSLEY ON PROTECTION

Protection and Reciprocity

Repeal of the Tariff Law of 1890

Its Effect on National Revenues

and on

Commercial Conditions

SPEECH

of

HON. L. D. APSLEY

OF MASSACHUSETTS

in the

House of Representatives, Washington, D. C.

Thursday, May 21, 1896



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MR. APSLEY said:

PRESIDENTIAL HYSTERICS.

MR. SPEAKER:—Our present Chief Executive has on several occasions dealt largely in literary hysterics. Among his latest examples is his message of December 17, 1895, on the Venezuelan boundary question; but that in his message of August 7, 1893, on the repeal of the Sherman law, is still more extraordinary.

All that was required in the Venezuelan matter was a simple statement of the facts then known and an intimation to Congress that he desired funds to enable him to ascertain such additional information as he thought necessary. All his suggestions as to war, as to resisting by every means within our power, as a willful aggression by Great Britain, the exercise of jurisdiction over lands which she claimed in an unknown region under the equator, were wholly uncalled for. It was worse than this. Such idle and needless threats against a friendly nation can only be properly designated as a political crime. Should occasion unfortunately arise, we trust all Americans would be united for any national interest or sentiment; but it is a well-known fact that those who have once fought have more conservative ideas as to war than those who have delegated their fighting to a hireling. To add to the inconsistency of his action, on the third day thereafter, he sent a melodramatic message to Congress begging them to vote him money to relieve the nation from impending bankruptcy caused by the maladministration of national affairs by his own party and aggravated by the hysterical deliverance to which I have just alluded.

Even these are eclipsed by the words he used in the mid-summer message of August 7, 1893. He had then been President for more than five months, President-elect for nine months, and having been President once before he was no groundling. He well knew, or should have known, that the conditions which he described so graphically were caused by the change in national policy foreshadowed by the election of November, 1892, when his party, the champion of free trade and of a tariff for revenue only, had been voted into power at the polls.

THE COUNTRY UNDER PROTECTION.

Let us look on the two industrial pictures—the one drawn by Harrison of the condition of affairs under the Republican policy, and that shown by Cleveland under the Democratic policy of free trade.

President Harrison, fourth annual message, 1892:

In submitting my annual message to Congress, I have great satisfaction in being able to say that the general conditions affecting the commercial and industrial interests of the United States are in the highest degree favorable. A comparison of the existing conditions with those of the most favored period in the history of the country will, I believe, show that so high a degree of prosperity and so general a diffusion of the comforts of life were never before enjoyed by our people.

* * * * *

There never has been a time in our history when work was so abundant or when wages were as high, whether measured by the currency in which they are paid or by their power to supply the necessities and comforts of life.

* * * * *

WHERE ARE THESE SAVINGS NOW?

Another indication of the general prosperity of the country is found in the fact that the number of depositors in savings banks increased from 693,870 in 1860, to 4,258,893 in 1890, an increase of 513 per cent., and the amount of deposits from \$149,277,504 in 1860 to \$1,524,844,506 in 1890, an increase of 921 per cent. In 1891 the amount of deposits in savings banks was \$1,623,079,749. It is estimated that 90 per cent. of these deposits represent the savings of wage earners.

* * * * *

THE PROTECTIVE SYSTEM.

I believe that the protective system * * * has been a mighty instrument for the development of our national wealth and a most powerful agency in protecting the homes of our workingmen from the invasion of want.

He did not attempt to argue as to the merits of protection. That system, he said, had now been put into the hands of its avowed enemies, and the results of their action would be awaited with intense interest. While he warned us that the immediate results would be a decreased revenue from customs duties, he was yet generous enough to say that those who had so advocated protection and had predicted dire results from its abandonment could well afford to be disappointed in their forecasts.

We had had, he said, in our history several experiences of the contrasted effects of a revenue and a protective tariff; but this generation had not felt them, and the lessons learned by one generation were not always accepted by that which followed it. He added, however, that the friends of the protective system would await with confidence the verdict of the future.

INCREASED MARKETS ABROAD.

In his review he noted as the only serious question the low prices of wheat and other farm products. This condition had been due to increased production in other countries and to our exports being discriminated against. To remedy this he announced the negotiation of reciprocity agreements with Brazil, Spain for Cuba and Puerto Rico, Germany, Austria and various Latin-American countries. Others were in course of negotiation, and had it not been for the change announced and determined on by the incoming party, these would have soon included nearly every nation with whom such were advisable.

While the treaties were just beginning to demonstrate their value he was even then able to show that our exports of domestic products, mostly in wheat, flour, meat, and dairy products, manufactures of iron, steel and

lumber to these countries had increased \$20,772,621, in this way widening the market of our farmers for the wheat and other products which had been displaced by recent extraordinary outputs in the Argentine Republic and Russia, and had caused such a marked decrease in the Old World prices. All who were interested knew then that our flour was going by carload lots from far interior towns to the seaports for export to Cuba, where, for the first time in the history of the nation, the Spanish Government had been obliged, because of the retaliatory clauses of the tariff of 1890, to let in our food products on favorable terms. We are all well aware that the Wilson law repealed these provisions and that as a consequence our magnificent new trade was stricken down, our favorable terms of importation into Cuba and Puerto Rico were promptly done away with by the Spanish Government, and our flour and other productions had to find consumers at home.

WHAT IS RECIPROCITY?

Many Democratic authorities declare that reciprocity in trade between nations is, in fact, free trade, pure and simple. They forget the first condition to such treaties. There must be a tariff list from which to except certain articles. Without this the United States would have nothing to give. If all the products of a foreign country were already free, they would laugh at our offer to make them any freer by means of a treaty. Having given away our markets, our appeal would have to be made to the generosity, and not to the self-interest, of other nations. Lord Salisbury once said that free trade might be noble, but it was not business; but whatever may be said of reciprocity, it is certainly business. It is fair and open exchange. We say to Spain, we will remove all duties upon your sugar if you will admit our flour free; and the American people taste the sweets of free sugar, the Cuban people eat untaxed bread, and the producers of flour and of sugar have an enlarged market.

UNDER THE MCKINLEY LAW WE HAD A TARIFF.

The law of 1890 had been so framed that the President could negotiate treaties, conventions, and agreements with foreign nations to secure larger sale of our surplus agricultural and manufactured products, and if such nations would not join us in this effort, he could impose retaliatory duties on the imports from that country.

This confronted these nations with a condition and not a theory; where they had to consider whether they should lose this great market entirely, or whether they should give us something of value in return.

NATIONS MAKING SUCH TREATIES.

The following is a list of the nations which entered into the special tariff agreements: Brazil, in effect April 1, 1891; Spain for Cuba and Puerto Rico, September 1, 1891; German Empire, effective February 1, 1892; Salvador, British West Indies, Nicaragua, Guatemala, Costa Rica, Honduras, France and her colonies, Austria-Hungary, and others.

WHAT WE GAINED BY RECIPROCITY.

With Spain (to Cuba and Puerto Rico) we gained at once at the rate of more than ten millions per year; with Brazil, from ten to fifteen millions; Guatemala, nearly one and a half millions; Venezuela, one and three-quarter millions; Haiti, two millions three hundred and sixty thousand;

British West Indies, over two and a half millions; and so on through the list, so that the net gain, allowing for all losses by reason of civil war and financial disturbances in some of these countries to the South, was for the year over twenty-five millions. All this and all the growth of this trade, which was estimated as certain to grow to more than one hundred millions, was thrown away by the Democratic repeal. It did more than lose this; it gave our trade to these countries such a blow, because of the dishonor which attaches to this abrogation of a treaty, as will require time to recover from.

All the increase in these exports was in grain, corn, wheat, flour, lard, provisions, and the general list of manufactured articles. These people all want our goods, but they had to pay extra duties on them, so as to foster the mother country back in Europe, until the law of 1890, by the clauses mentioned, enabled the President to call a halt on such acts and to say to them: Let in our goods on fair terms, or we will tax your goods out of our markets. Of course, these various European countries did not love the Republican party for this action. They looked with little favor upon the party which had enacted a law declaring in effect that America was for Americans, and their great public newspapers were a unit in demanding its repeal. So soon as the Republican tariff was out of the way these nations, Spain, France, Germany, and others, shut out our food products or discriminated against them so as to almost ruin our trade there in many lines. It is useless for our ministers to protest; we have deliberately thrown away the only lever, the only weapon, with which we could have prevented this action, and we now have to pay, in the great loss in our export trade, the cost of Democratic incompetence and hostility to the interests of labor and agriculture in the United States.

PRESIDENT CLEVELAND'S MESSAGE OF 1893.

The evil results of the change in national policy which was to be inaugurated by the Democratic party began to show themselves with the first days of the year 1893. By the time the new President was installed this had become so threatening that Cleveland was censured by many for not at once convening Congress. Perhaps he was afraid of the newly elected Representatives. At any rate, he neglected to avail himself of their counsel and assistance until the industries of the country were in a state of complete prostration. No such spectacle had ever before saddened the American people; their honest workmen were idle in hundreds of thousands; anarchists and "Coxeyites" held high revel, and all the world looked on in surprise at the awfulness of the disaster which had so suddenly come upon us.

After waiting five long months he finally called Congress in special session. On the 8th of August he addressed them a message, which stands, and I trust may ever stand, separate and apart among the utterances of our Presidents—an abject confession of incapacity and a blind accusation of all existing conditions on the party and policy which had ever been successful in preventing such conditions from arising.

The existence of an alarming and extraordinary business situation, involving the welfare and prosperity of all our people, has constrained me to call together in extra session the people's representatives in Congress, to the end that, through a wise and patriotic exercise of the legislative duty with which they solely are charged, present evils may be mitigated and dangers threatening the future may be averted.

Any man who could expect a wise and patriotic exercise of the legislative duty from that body would be appropriately lodged not in the White

House, but in an asylum for those of feeble mind. In a trusting mood he continues:

Our unfortunate financial plight is not the result of untoward events nor of conditions related to our natural resources; nor is it traceable to any of the afflictions which frequently check national growth and prosperity. With plenteous crops, with abundant promise of remunerative production and manufacture, with unusual invitation to safe investment and with satisfactory assurance to business enterprise, suddenly financial distrust and fear have sprung up on every side. Numerous moneyed institutions have suspended because abundant assets were not immediately available to meet the demands of frightened depositors. Surviving corporations and individuals are content to keep in hand the money they are usually anxious to loan, and those engaged in legitimate business are surprised to find that the securities they offer for loans, though heretofore satisfactory, are no longer accepted. Values supposed to be fixed are fast becoming conjectural, and loss and failure have invaded every branch of business.

HE STATED CONDITIONS CORRECTLY.

All the facts he states above were true, too true, as we are all aware. And what a contrast to the times left by the preceding Administration, and which were correctly portrayed in the message of President Harrison sent to Congress only eight months before. National and individual prosperity on the one hand; national and individual poverty on the other.

HE ASKS THE REPEAL OF THE SHERMAN LAW.

He had waited five months to find some other excuse for the awful ruin in view, to find some other cause to allege than the plain and well-known one of impending free trade. At last he chose his "Bogy," the thing with which to cover with obloquy; on which he might safely vent his spite. With a Treasury bankrupt because importers chose to wait for the promised free trade, he found the sole and only cause was the so-called Sherman law. Here is what he said of this:

I believe these things are principally chargeable to Congressional legislation touching the purchase and coinage of silver by the General Government

This legislation is embodied in a statute passed on the 14th day of July, 1890, which was the culmination of much agitation on the subject involved, and which may be considered a truce, after a long struggle, between the advocates of free silver coinage and those intending to be more conservative.

If the principal cause be removed the evil must needs soon pass away. Has this happened?

THE SHERMAN LAW IS REPEALED.

We of the United States have now endured existence nearly three years since this awful law was repealed, and have we grown sleeker and fatter since? Has the steady decline in every branch of legitimate industry ceased for a day, or have we found our resources ever growing less day by day? Did this country, so prosperous in 1892 in spite of this Sherman law, regain even that prosperity after its repeal in 1893? Let the undeniable business conditions answer; let the people of this country answer, waiting, as they have been, for the time to pass and counting the months and days until they should have an opportunity to express their opinions on the conduct of affairs and to return to the policy of protection, under which this country has ever had its widest and safest prosperity.

The Democratic party repealed the Sherman law; the purchase of silver bullion stopped for once and all. And what have been the results? Not even the bullion in the Treasury or the seigniorage or profits on the coinage of silver can be used, while we have pledged the future to pay for current expenses to the extent of \$260,000,000, against a saving of \$250,000,000 in the public debt by the last Republican Administration.

Has business improved? Are all financial distrust and fear passed away? Not exactly! If not, then it must have been a false alarm of President Cleveland; an incorrect diagnosis of the national ills. Or was it not in fact caused by the threat of the tariff reduction, a threat made good by the passage of the "Wilson-Gorman" bill, a measure so corrupt and ill designed that the President himself was compelled to let it become a law without his signature?

The Sherman law had done but little harm under the Republican conditions of a solvent Treasury and an increased export trade to foreign countries; but the reduced revenues caused by the impending reduction of the tariff brought about incipient national bankruptcy, a condition which Democratic blindness charged entirely to the Sherman law.

THEY PUT THEIR HEADS IN AMBUSH.

After four months of wrestling, the Democratic party, in November, 1893, finally repealed this awful law, and, thinking the country was now saved from Republican wickedness, took a few weeks' rest before giving us the "simon pure" free trade which they had promised the country. With their heads safely hidden, ostrich-like, in the bushes, they could not sense the terrible storm of ruin then sweeping the country. They had done their duty, and if the people did not know when they were saved it was no fault of the party. Indeed, many of them charged that merchants were deliberately throwing away their money, sacrificing their whole fortunes, just to say so to the Democrats. The American people were to their eyes like the obstinate and opinionated patient who insisted on dying when the doctor declared he had given the proper remedies, that he must get well, that all the Democratic doctor books said that was the proper treatment, and that he did not treat the physician rightly by insisting on going off when in fact all theories said he should get on and recover.

THE WILSON-GORMAN BILL.

Now, with clear decks, with President and Senate and House, all the machinery of the Government, in their hands for the first time since poor, old pottering Buchanan was their political idol, they fell to with shouts of glee to execute their long-cherished desires. The chief manufacturing and agricultural industries of these now unfortunate United States lie, for the most part, to the north of the Ohio; and it would have seemed only the part of ordinary prudence to let the representatives of these States have a chief hand in the pulling down of the columns of the building. But no, this mighty work was intrusted in the House to a college professor from West Virginia, to distinguished ex-Confederates from Georgia and Tennessee. From the House this bill, halting and lame on its new theoretical lines, strong only in the ruin it wrought, went to the Senate to be developed by other Southern Statesmen—JONES of Arkansas, MILLS of Texas, and VEST of Missouri—with BRICE of New York and Ohio, and GORMAN of Maryland assistants for the rescue of trusts and special interests. We all know that this bill, with 600 amendments, returned to

the House, where the esteemed college professor swallowed them all at one gulp and then fled to far-away Mexico to try to forget what his party had forced him to do, while the Chief Executive reluctantly let it become a law without his signature.

AFTER THIS THE DELUGE.

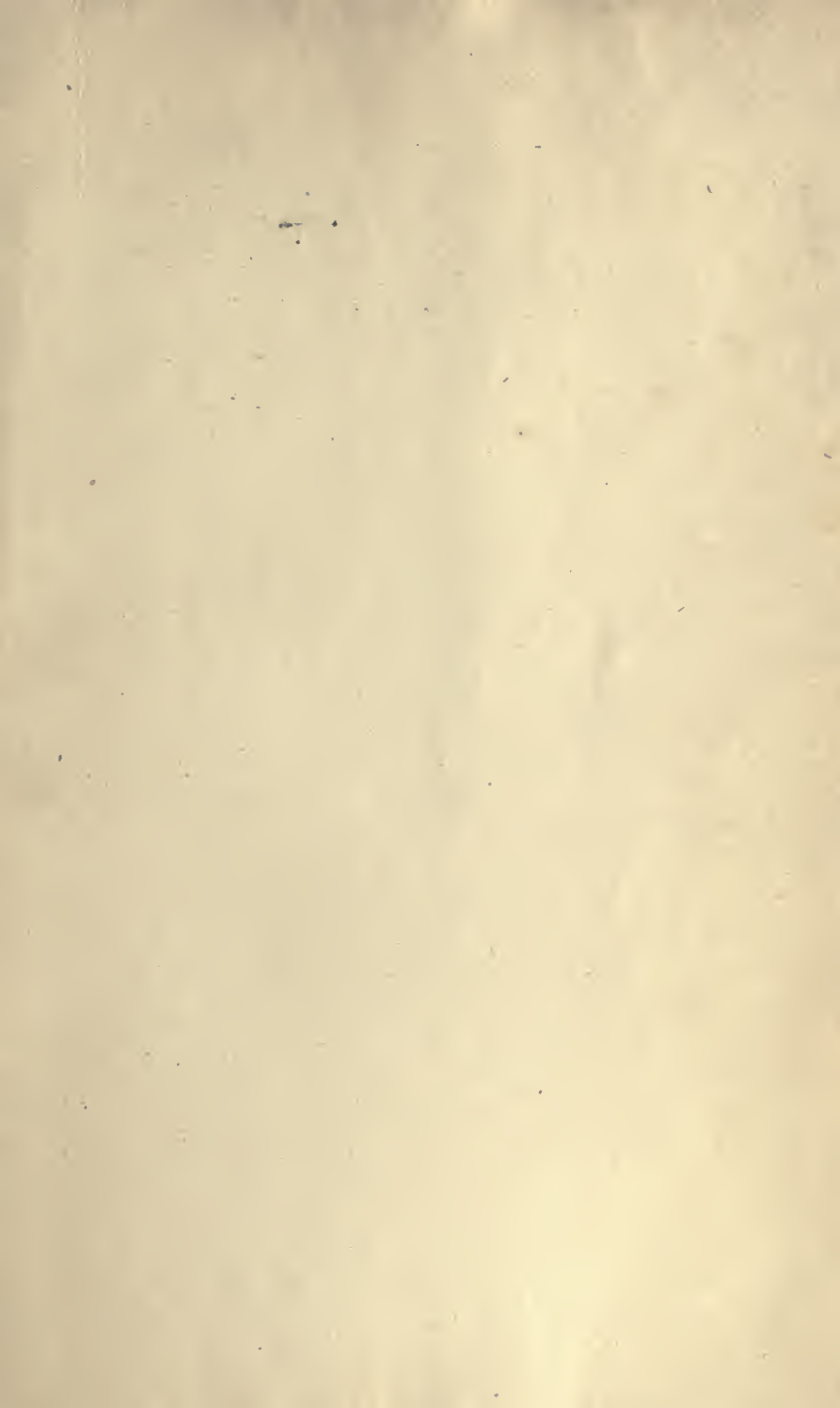
What has transpired since the passage of this monstrous bill is a part of the bitterest history of the country. That there should be hard times during or after a great civil war is a thing to be excused, to be expected. But to have ruin heretofore unknown and unparalleled in extent and duration come in a period of profound peace, to have our national credit at so low an ebb that the Government was compelled to appeal to the money changers of Europe for rescue, to burden the energies and lives of another generation with the immense burden of a debt of \$260,000,000 in less than three years, where, under the wise policy of the preceding Administration, this debt had been reduced \$250,000,000 without being felt by the people; this mere recital would seem enough to damn such a party and such a policy to another period of thirty years outside the breastworks. But this does not begin the recital of the wrong done or the ruin caused by this suicidal policy of the Democratic party.

IN HANDS OF RECEIVERS.

Heretofore, these United States, in peace and in war, through evil report and good report, had been for thirty years managed as a great and solvent corporation. Since March, 1893, it has been in the hands of an incompetent receiver. He has begged and borrowed money for current expenses when all that was needed was to take advantage of the plain resources of the country and make it self-supporting and helpful to all the people. With the Government in such a condition it is idle to expect any marked or permanent improvement in the general business of the country. Under the last Republican Administration we had an ample Treasury supply, we decreased the debt almost as much as this one has increased it, and the magic breath of life and public credit was throughout all. With similar conditions the now serious problems of silver and sufficient money for the exchanges for the needs of the country will all solve themselves in natural and orderly sequence. It has been shown to be idle to expect such wise and patriotic action from the party now in power.

FREE TRADE THE TRUE CAUSE.

When one fatal and strong-rooted disease gets hold of a sick man it follows, as a matter of course, that symptoms of many other minor diseases come to the front. It is not, however, the policy of the wise physician to turn all his attention to these, but rather to reach the seat of the main difficulty and expect the removal of the main cause to bring about the amelioration or disappearance of the minor ones. Thus with a safe, protective tariff—one framed to secure a just degree of protection to the labor of the farm and the workshop, and the capital which nourishes and keeps these all in successful operation—we will once more be on the highway of national prosperity. With this we will have ample provisions for a wider market abroad for the rapidly growing surplus of our agricultural and manufactured products under the wise system of reciprocal treaties inaugurated by Harrison and Blaine and so contemptuously repealed by the "Wilson-Gorman" law.



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